



THE US COMMERCIAL SERVICE FRANCE

U.S. – France

Green Building Initiative

February 19, 2008

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Market Facts

- French Construction Market Valued at \$180 Billion.
- 280,000 Residential Homes built in past 7 years- Forecast of continued strong growth.
- 55,000 Construction & Engineering Firms.
 - 12,000 in Residential Market Alone.
 - Largest number in Europe, 10% of EU market.
- 40,000 Qualified Architects.



Market Facts

Continued

- Homebuilders: Groupe MI, Maisons France Confort, CGIE, Bouygues, Camif Habitat.
- Engineering: GTM Group, Eiffage SA, VINCI, Groupe Fayat, EGLG, Leon Grosse.



Market Facts – Why France

Grenelle Study - Focus on Green

- Initiated New Ministry for the Environment.
- Target 2010-12 – All new buildings will meet “low-consumption standards (50 kWk/m²/year).
- Target 2020 – New buildings should be energy neutral.
- Half of all new public construction to meet new environmental standards –\$350 million for 2008-2009.
- Government and Public Support is very Strong.
- **How** – Through Increase use of Renewable Energy & Green Building Construction.



Market Facts

Focus on Green – Grenelle Study

- Target – Renovate 40 million buildings built prior to 1975.
- Target – 400,000 renovations annually; Start with 800,000 public housing units.
- Target – Reduce energy usage (Immediate), 20% Commercial & 12% for residential next 5 years.
- Target – New Public procurement Code to include mandatory environmental clauses (2008).



Market Facts

Focus on Green – What is Green?

- HQE – Haute Qualite Environnementale
 - Environmentally conscious construction
 - Low environmental impact
 - Energy and water Control
 - Waste management
 - Low maintenance construction
 - Thermal Energy control
 - Acoustic control, and visual comfort
 - Odor control, and sanitary quality
 - Air and water pollution control



Market Facts

Focus on Green – National Level

- France Implemented Tax Incentives in 2005
(Tax Credits 15-50% of total cost, Max \$12,000)
 - For energy efficient heating systems
 - Insulation Materials
 - Heating System regulators
 - Renewable Energy Equipment
 - Heating Pumps
 - Renewable energy heating systems



Market Facts

Focus on Green –Regions and Cities

- Paris – “Plan Climat de la Ville”
 - New Building codes for new construction
 - Target - 25% Gas usage reduction by 2020
 - Local Tax incentives (e.g. solar water heaters and solar panels)
- Loire Valley & Others (Examples)
 - 12 New Solar Installations
 - Green Consumer Buying Organizations
 - Heat Pumps, Green Heating Systems,
 - Up to 50% tax credits



Market Facts

Focus on Green –Regions and Cities

- Rhone Alps (Lyon & Grenoble)
 - Highest number of new home starts in France
 - Two R&D clusters in renewable energy and construction material.
 - Tax incentives for R&D and new green building.
 - Grenoble has first energy neutral commercial building.



Market Facts

Focus on Green – Market Opportunities

- Glass and Window Construction:
 - Grenelle specialists suggested that 50 million windows will need to be replaced in order to increase energy savings and achieve lower emissions. 85% of French homes were built before 1975 and are environmentally inefficient.
- Insulation Materials:
 - Included in the current tax credits are large incentives for buying more insulation.
- Solar-thermal market:
 - France market is the fastest growing in Europe with growth of 131% from 2005-2006.



Market Facts

Focus on Green – Market Opportunities

- Renewable Energy Equipment:
 - Because of current tax credits, and anticipated future tax credits, this industry is projected to continue to show strong growth.
 - 2007 saw a 30% growth for France’s heating pump market with a total of 69,000 new units.
- Wood Industry:
 - Almost 6,400 wooden homes (4% of housing market) are built every year. As the benefits of wood, including “green” production and better insulation, are recognized in France, a large increase is expected in the coming years as the market reaches economies of scale.



Market Facts

Focus on Green – Market Opportunities

- Research and Development:
 - France has most generous tax incentives in Europe for R&D (R&D Industry Clusters)
 - Environment focused clusters, such as Axelera and CapEnergie, have gained significant funding and recognition since the Grenelle Environment Policy.
 - Axelera is currently working on the cutting edge of environmentally useful materials, systems, and catalysts.



Market Facts

Exhibitions

- **BATIMAT** - November 2-7, 2009 - Paris
The world largest construction equipment and materials trade show; 500,000 visitors. www.batimat.com
- **SALON MAISON DU BOIS** - October 17-20, 2008 - Angers. Wooden houses show. www.salon-maison-bois.com.
- **SALON DES ENERGIES RENOUVELABLES** - February 25-28, 2009 - Lyon
Renewable energy and green building show trade
<http://www.energie-ren.com/UK/2007/index.php>



Market Facts

Exhibitions cont.

- **POLLUTEC** - December 2-5, 2008 - Lyon
Environmental technologies trade show
www.pollutec.com/site

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Market Entry Strategy

- Highly competitive commercial environment, but U.S. goods and services are well received.
- Marketing in France comparable to U.S. approach.
- Sophisticated marketing approaches used in most sectors.
- Some major cultural differences and some legal/regulatory restrictions.
- Local partners available in most sectors and products.



Factors (cont)

- English more widespread now, but French language helps—required on labeling.
- Local rep/dist/agent wise for almost all products. Pan-Europe often not wise.
- Long-term perspective.
- Slow development—personal rapport more important than in U.S.